

Exhibit 1

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KENNETH BUCKFIRE, VOLUME 2
IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF MICHIGAN

In Re:) Chapter 9
CITY of DETROIT, MICHIGAN,) Case No. 13-53846
Debtor.) Hon. Steven Rhodes

VOLUME 2

The Videotaped Deposition of KENNETH BUCKFIRE,
a Rule 30(b)(6) witness,
Taken at 1114 Washington Boulevard,
Detroit, Michigan,
Commencing at 8:09 a.m.,
Wednesday, July 16, 2014,
Before Leisa M. Pastor, CSR-3500, RPR, CRR.

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11 ALSO PRESENT:

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A. All right, would you please repeat the question?

Q. Sure, and maybe I can make it clearer. What I'm trying to determine and see if you have facts on -- facts on is the process and the elements that went into distinguishing classes 10 and 11 as compared to class 9 and the recoveries that they were going to get?

A. I see. Well, as a purely financial or banking matter, it was our judgment that the status of the class 9 claims and the pension and so-called OPEB claims was basically the same, that is they were general unsecured claims of the City of lesser priority than the general obligation claims, certain other claims of the City. And so that was the starting point of our analysis and indeed was the basis for the City's original proposal in June of '13 where all these claims would be in the same pool and would share pro rata.

It also became clear to us that as part of our financial analysis that even though we believed that the claims were general unsecured claims, the fact that the COPs claims were indirect obligations of the City and not direct obligations to the City had to be given some consideration, and that is how we ended

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up recommending to the emergency manager that only 40 percent of the COPs claims be allowed because we were uncertain about what their ultimate status would be because again, I'm -- I'm making a legal conclusion, but the claim of the COPs against the service corporations would result in the service corporations's claim being an asset of the COPs and that was sufficiently in dispute as to a financial matter as to what value would be, we felt 40 percent was the appropriate allowed claim.

Then the distinction we had to draw with the class 10 and 11 claims had to take into account from a financial matter, the proposed treatment of OPEB as a practical matter from the City's prospective the financial obligations due to its retirees were both pension and healthcare related and because we were proposing to substantially impair or eliminate our healthcare plans and in consideration for doing so move our retirees to new insurance programs of much lesser cost, that resulted in a very large claim, but therefore, as a practical matter, rather than throwing -- using the OPEB claim and the pension claims to be pari passu with respect to recovery. Part of the settlement discussion with the retiree --

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2 I'm trying to be careful --

3 MR. CULLEN: Okay.

4 A. -- from a financial prospective, we viewed those
5 claims as being part of the same pool for purposes of
6 arranging an overall recovery and therefore how that
7 recovery would be applied would be up to the
8 beneficiaries which is now reflected in the plan of
9 adjustment.

10 BY MR. SOTO:

11 Q. Let me break that down. That was a --

12 A. Yeah.

13 Q. -- pretty cool answer so --

14 A. It's complicated.

15 Q. So taking -- taking the first thing that you
16 highlighted, you highlighted the distinction between
17 direct and indirect claims and the class 9 claims you
18 viewed as indirect and there were other direct claims.
19 You said that led to you -- and again, if I'm saying
20 something wrong, you correct me, you said that allowed
21 to allowing only 40 percent of that claim.

22 So can you explain to me what analysis you
23 did of what analysis you did of what those claimants
24 you mentioned that they had claim -- it would result
25 in claims against the surface corporations is I think